



## Financial Highlights

- OSP delivered Q3'23 net profit\* of THB 642 million, increased by 163.3% YoY and 17.0% QoQ. The growth was supported by continued recovery of domestic businesses, including both energy drinks and personal care segments, and margin expansion from downward trend of commodity and energy costs, manufacturing efficiency improvement, and our effort to control selling and distribution expenses, which helped to offset seasonally low sales of international businesses. Additionally, OSP had Q3'23 share of profit of associates and joint ventures of THB 51 million, declined by 34.6% YoY but increased by 279.2% QoQ. As a result, Q3'23 net profit\* margin recorded at 10.2%, +630 bps YoY and +200 bps QoQ. During the quarter, OSP recorded extraordinary items from strategic business restructuring activities in order to expand our core business where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control. Excluding these items, net profit\* remained favorable growth both YoY and QoQ.
- Q3'23 revenue from sales reported at THB 6,277 million, increased by 1.6% YoY but decreased by 6.4% QoQ. Revenue from sales of domestic beverages grew by 5.1% YoY and 3.3% QoQ, from QoQ improvement of both energy and functional drinks despite seasonally low nature of Q3. Personal care continued its growth momentum with +7.0% YoY and +14.4% QoQ. International beverages contracted QoQ from Myanmar seasonal impact, which was less than anticipated. Thus, international beverages grew 1.4% YoY.
- OSP delivered Q3'23 gross profit margin at 35.4%, +610 bps YoY and +140 bps QoQ. Gross margin expansion was driven by downward trend in raw material and energy costs, including natural gas and electricity, and continuous efficiency improvement of our glass furnaces.
- OSP holds a leadership position in both energy drinks and functional drinks markets. In Q3'23, our energy drinks market share was 46.5%, representing a decline of 100 bps QoQ, as promotional expenses were optimized during the low season. While OSP achieved a functional drinks market share of 43.7%, increase by 160 bps QoQ, primarily driven by the recovery of C-Vitt and the continuous expansion of Peptin's market share over 3 consecutive quarters.
- Our balance sheet remained strong with a low interest-bearing debt to equity ratio of 0.21 times. Thus, OSP is ready to invest and capture the inorganic growth and partnership opportunities, backed by our dedicated and experienced team to drive strategic investments for the next s-curve.

\*Net Profit = Net Profit attributable to owners of the parent

## Financial Performance for Q3'23 and 9M'23

### Consolidated Income Statement Summary

Unit: THB million	Q3'23	Q3'22	%YoY	Q2'23	%QoQ	9M'23	9M'22	%YoY
<b>Total revenues</b>	6,395	6,231	2.6%	6,768	-5.5%	20,055	21,011	-4.6%
<b>Total revenues from sales</b>	6,277	6,178	1.6%	6,709	-6.4%	19,532	20,833	-6.2%
Beverages	5,071	4,854	4.5%	5,487	-7.6%	15,837	17,067	-7.2%
Personal Care	647	605	7.0%	566	14.4%	1,769	1,746	1.3%
Others	559	719	-22.3%	656	-14.8%	1,926	2,020	-4.7%
Total other income	118	53	119.4%	59	101.8%	523	178	193.8%
Gross profit	2,220	1,811	22.6%	2,281	-2.7%	6,686	6,427	4.0%
SG&A	1,624	1,631	-0.4%	1,660	-2.2%	4,988	4,862	2.6%
Selling and distribution expenses	1,155	1,149	0.5%	1,294	-10.8%	3,629	3,612	0.5%
Administrative expenses	469	482	-2.6%	366	28.1%	1,359	1,250	8.7%
Share of profit of associates and joint ventures	51	78	-34.6%	13	279.2%	103	252	-59.2%
EBIT	764	311	145.4%	691	10.5%	2,324	1,995	16.5%
EBITDA	1,149	692	66.0%	1,077	6.6%	3,491	3,187	9.6%
Profit for the period	642	218	193.8%	558	15.1%	1,991	1,577	26.2%
Profit attributable to owners of the parent	642	244	163.3%	549	17.0%	1,969	1,597	23.3%
Core profit from operation	562	244	130.4%	549	2.4%	1,589	1,577	0.7%
<b>Key Ratios (%)</b>								
Gross profit margin	35.4%	29.3%	6.1%	34.0%	1.4%	34.2%	30.8%	3.4%
SG&A to net sales ratio	25.9%	26.4%	-0.5%	24.8%	1.1%	25.5%	23.3%	2.2%
EBIT margin	12.2%	5.0%	7.2%	10.3%	1.9%	11.9%	9.6%	2.3%
EBITDA margin	18.3%	11.2%	7.1%	16.1%	2.2%	17.9%	15.3%	2.6%
Net profit margin for the period	10.2%	3.5%	6.7%	8.3%	1.9%	10.2%	7.6%	2.6%
Net profit margin attributable to the owners of the parent	10.2%	3.9%	6.3%	8.2%	2.0%	10.1%	7.7%	2.4%
Core profit margin from operation	9.0%	3.9%	5.1%	8.2%	0.8%	8.1%	7.6%	0.5%

### Financial Performance Summary for Q3'23 vs. Q3'22

Osotspa has implemented a product portfolio strategy to compete in two-price-tier energy drinks market, along with strengthening distribution network and improving our manufacturing efficiency. Our business results favorably improved, enhancing our competitiveness and driving our sustainable growth agenda.

In Q3'23, revenue from sales was reported at THB 6,277 million, increased by 1.6% YoY. This growth was driven by beverages sales from both domestic and international markets in addition to personal care products. However, revenues from sales declined by 6.4% QoQ, due to softened international beverage sales during rainy season, particularly in Myanmar, while domestic beverages, including both energy drinks and functional drinks, and personal care segment impressively grew QoQ. Total revenues was at THB 6,395 million, increased by 2.6% YoY but declined by 5.5% QoQ.

#### Beverages Segment

OSP reported total beverages revenues of THB 5,071 million, reflecting 4.5% increase YoY, but 7.6% decrease QoQ. Domestic beverages performed well with 5.1% growth YoY and 3.3% growth QoQ, driven by strong recovery in energy drinks, which showed double digit YoY growth and continuously recovered in every quarter this year. Through our M-Pire portfolio strategy, the launch of M-Honey at THB 10 price point expanded the brand without cannibalization. Additionally, the new super star campaign, featuring five prominent brand ambassadors, extended engagement with a wider range of consumers and further strengthened our leadership position. Revenues of functional drinks also showed improvement by 9.8% QoQ, showing growth for two consecutive quarters after a re-base of C-Vitt in Q1'23 post-COVID impact. In Q3'23, C-Vitt 0% sugar peach flavor was introduced to offer more choice to the consumers, coupled with collaboration with refreshment beverages brands such as Yuzu House and Dakasi with special co-creation menus. In addition, Peptein and Calpis maintained their double-digit growth momentum, driving overall growth in total functional drinks. During the quarter, Peptein Drink-D was launched with new-easy-to-drink taste, high vitamin D, and support brain function, while Calpis introduced innovation and seasonal flavor creation, including Calpis Lacto Original Fiber 5,000 mg. for balancing the digestive system and Calpis Lacto Soda Aomori Apple flavor, which come with refreshment and benefits from lactobacillus. These activities demonstrated Osotspa's dedication to offer innovative products that cater to lifestyle and contribute to enhancing consumer health and well-being.

International beverages sales posted 1.4% YoY growth, primarily driven by double-digit growth in Myanmar and Laos markets. Our growth momentum in Myanmar markets were supported by strong brands, local production facilities, and dedicated local teams, which enabled us to rapidly adapt to uncertainties and challenges. However, international business showed declined QoQ due to impact of seasonally low quarter. Additionally, OSP is aware of the increased risks due to actions by the United States and the European Union imposing economic sanctions on Myanmar, thus the company closely monitors and assesses these risks and also the impact on foreign currency movement.

OSP is the market leader in both energy drinks and functional drinks markets, with Q3'23 market share of energy drinks at 46.5%, declined from the previous quarter as we were optimizing our promotion activities during low season. We anticipated to bring back these activities in the next quarter to drive both sales and market share. Meanwhile, market share of functional drinks increased 1.6% QoQ to 43.7%, reflecting strong positioning of C-Vitt as a leader in both vitamin C subsegment and functional drinks segment, capturing over two-thirds of the vitamin C subsegment market share. Additionally, Peptein continuously made good progress in market share.

#### Personal Care Segment

In Q3'23, OSP generated THB 647 million in revenue from sales in the personal care segment, reflecting an increase of 7.0% YoY and 14.4% QoQ growth. Babi Mild showed double-digit growth QoQ, attributed to the new brand campaign concept under "The Power of Gentle Touch", aiming to differentiate as a market leader, reaching the new generation of millennial mothers across all dimension and segment, and building continuous growth. The overall campaign includes the transition of the entire portfolio into new 100% organic formulation and switching to eco-friendly packaging free from PVC and BPA. The shift from PP plastic bottles to transparent PET bottles that can be fully recycled is not only safer but also more environmentally friendly, aligned with the lifestyle of the new millennial mothers.

#### Others Segment

The overall revenues under others segment were THB 559 million, declined by 22.3% YoY and 14.8% QoQ mainly due to reduced OEM glass bottles revenue as overall production capacity was adjusted between OEM and own production.

The gross profit margin was recorded at 35.4%, representing +610 bps YoY and +140 bps QoQ improvement. Gross profit margin expansion from the previous quarter was mainly attributed to the decline in energy and commodity costs, along with efficiency improvements in our glass factories. In addition to these operational efficiencies, OSP remains committed to achieving overall cost savings through the Fast Forward 10X program, which targets THB 5,000 million gross saving over the next 5 – 7 years (2022 – 2028). This program aims to build strong fundamentals for sustainable future growth by identifying actions to optimize costs, maximize operational efficiency, better utilize manufacturing facilities, and streamline processes, people, technology, and assets.

Selling and administrative expenses (SG&A) was accounted for 25.9% of revenues from sales in Q3'23, compared to 26.4% in Q3'22 and 24.8% in Q2'23. The company managed to lower the absolute value of overall SG&A expenses compared to the previous quarter. This improvement was particularly attributed to lower selling and distribution expenses, which typically depend on the phasing of marketing activities and sales activation campaigns.

OSP reported a profit attributable to owners of the parent at THB 642 million, resulting in a net profit margin of 10.2%. The net profit showed significant growth of 163.3% YoY, driven by key factors such as the recovery of sales volume, a decrease in energy and commodity costs, and enhancements in production efficiency. During the quarter, OSP recorded extraordinary items from strategic business restructuring activities in order to expand our core business where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control. This aligns with OSP's investment management strategy through portfolio optimization, aiming to drive long-term growth and maximize benefits to the company and shareholders. Our net profit attributable to owners of the parent excluding these extraordinary items showed favorable growth both YoY and QoQ.

### **Financial Performance Summary for 9M'23 vs. 9M'22**

Osotspa reported total revenues from sales at THB 19,532 million, decreased by 6.2% YoY when compared with high base of domestic beverages pre-implementation of premiumization strategy and re-base of vitamin C drinks. OSP has implemented M-Pire portfolio strategy to compete in two-price-tier market and strengthened our distribution network, resulting in continuously QoQ growth of domestic beverages revenues every quarters. International business sales grew double-digit growth, primarily from Myanmar and Laos. In addition, Osotspa implemented internal process improvements and enhanced production efficiency in both glass and beverage production facilities, driving strong profit growth for 9M'23.

#### **Beverages Segment**

OSP reported beverages segment revenues for 9M'23 at THB 15,837 million, declined by 7.2% YoY, primarily due to high base of energy drinks sales prior to the implementation of premiumization strategy. OSP has implemented M-Pire portfolio strategy to compete in two-price-tier market by successfully introducing M-150 Honey at THB 10 price which helps to expand the brand coverage from M-150 original with doubling vitamin B12 at THB 12 price. Functional drinks sales contracted from the decline in C-Vitt after vitamin C drinks market re-based in Q1'23 due to lower consumption frequency post-COVID. However, the new baseline remains higher than pre-COVID (year 2019) and C-Vitt has consistently showed growth for two consecutive quarters. Other functional drinks brands, Calpis and Peptein, delivered strong performance, achieving double-digit YoY growth, underpinned by innovations that aligned with health and refreshment trends.

For international beverages segment, revenue from sales grew by 6.9% YoY, driven by favorable performance in Myanmar and Laos. Our presence of strong brands, local production facilities, and dedicated teams enabled for effectively managing local challenges and uncertainties. Additionally, OSP is aware of the increased risks due to actions by the United States and the European Union imposing economic sanctions on Myanmar, thus the company closely monitors and assesses these risks and also the impact on foreign currency movement.

9M'23 energy drinks market grew by 7.0% YoY, partly attributed to the implementation of premiumization strategy by players in the market. OSP continued our leadership position in this market with 9M'23 market share of 46.9%. While functional drinks market declined by 13.9% YoY, from lessened immunity concerns and lower consumption frequency post-COVID. Market share of C-Vitt was at 35.7%, represents for over two-thirds of total vitamin C drinks subsegment market.

#### **Personal Care Segment**

Revenue from sales of personal care segment for 9M'23 reached THB 1,769 million, increased by 1.3% YoY, driven by growth in women's beauty care under Twelve Plus brand, notably achieving double-digit growth in deodorant segment.

#### **Others Segment**

The overall revenues in others segment were at THB 1,926 million, declined by 4.7% YoY, primarily attributed to the reduction in OEM glass bottle revenues where overall production capacity was adjusted between OEM and own production. Revenue from confectionary category achieved double-digit growth.

Gross profit margin for 9M'23 was recorded at THB 6,686 million, increased by 4.0% YoY. Gross profit margin was at 34.2%, increased by 340 bps YoY, primarily attributed to the implementation of M-150 premiumization strategy and efficiency enhancements in glass production, despite persistently higher commodity and energy costs compared to last year. Furthermore, OSP continues to execute the Fast Forward 10X program, which aims to manage overall costs and enhance profitability. The program targets cost savings of THB 5,000 million over 5-7 years (2022-2028). These comprehensive initiatives include mitigating impact from higher raw material costs, enhancing production efficiency by optimizing the utilization of existing facilities, streamlining processes, and maximizing the potential of our people, technology, and assets with objective to build strong fundamentals for sustainable growth.

Selling and administrative expenses (SG&A) to revenues from sales were at 25.5%, increased by 2.2% YoY. The rise in selling and distribution expenses was primarily driven by marketing activities and sales activation under the M-150 superstar campaign. On the

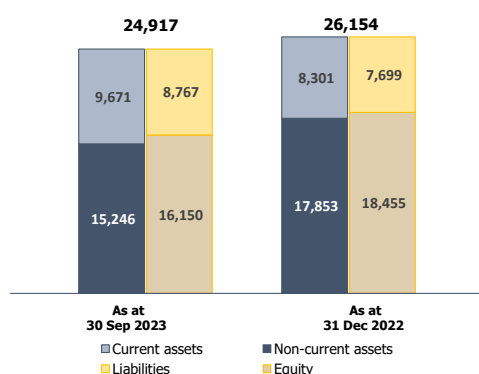
administrative side, the increase was attributed to foreign exchange losses and the new experienced team to drive strategic investments for future growth opportunities.

OSP reported 9M'23 profit attributable to owners of the parent at THB 1,969 million, increased by 23.3% YoY, with net profit margin of 10.1%, +240 bps YoY. For the period 9M'23, the company recorded extraordinary items from strategic business restructuring activities in order to expand our core business where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control. This aligns with OSP's investment management strategy through portfolio optimization, aiming to drive long-term growth and maximize benefits to the company and shareholders. If excluding dividend received from investment in other company and one-time items from business restructuring activities to be aligned with our long-term strategy, the underlying net profit remained increase by 0.7% YoY.

## Financial Position

### Balance Sheet

Unit: THB million



### Balance Sheet Breakdown

ASSETS (THB million)	As at 30 Sep 2023	As at 31 Dec 2022
Cash and cash equivalents	1,956	1,087
Trade and other receivables	4,073	4,051
Inventories	3,622	3,147
Other current assets	20	16
<b>Total Current Assets</b>	<b>9,671</b>	<b>8,301</b>
Net PP&E	13,237	13,480
Other non-current financial assets and long-term investments	1,170	3,625
Other assets	839	748
<b>Total Non-Current Assets</b>	<b>15,246</b>	<b>17,853</b>
<b>Total Assets</b>	<b>24,917</b>	<b>26,154</b>
<b>LIABILITIES and EQUITY (THB million)</b>	<b>As at 30 Sep 2023</b>	<b>As at 31 Dec 2022</b>
Trade and other payables	4,755	4,787
Loans from financial institutions	3,004	1,508
Other liabilities	1,008	1,404
<b>Total Liabilities</b>	<b>8,767</b>	<b>7,699</b>
Issued and paid-up share capital	3,004	3,004
Share Premium	11,848	11,848
Retained earnings	1,785	2,400
Other components of equity	(672)	1,212
Non-Controlling Interest	185	(9)
<b>Total Equity</b>	<b>16,150</b>	<b>18,455</b>
<b>Total Liabilities &amp; Equity</b>	<b>24,917</b>	<b>26,154</b>

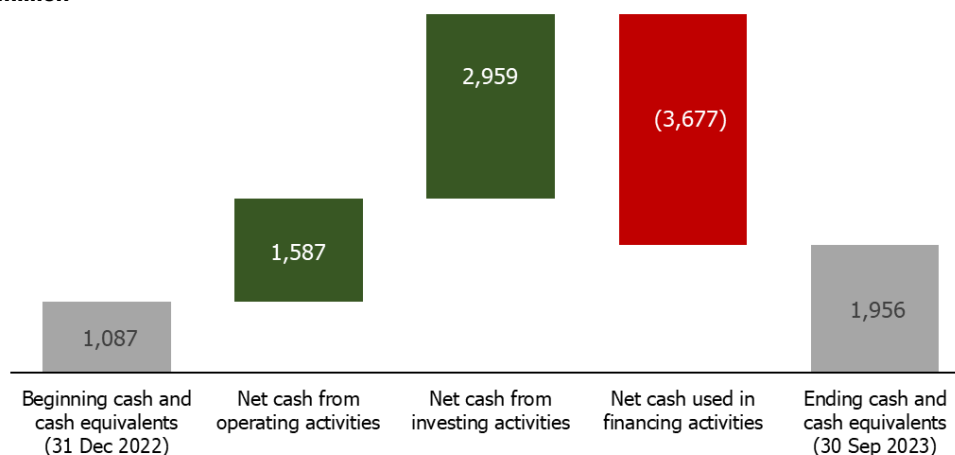
As of 30 September 2023, the Company had total assets of THB 24,917 million, decrease by THB 1,237 million (or -4.7%) from 31 December 2022 mainly from the divestment of Uni.Cham (Thailand) Company Limited, which resulted in a decline in other non-current financial assets, offsetting with an increase in cash and cash equivalents generated from operations and increase in inventories.

As of 30 September 2023, the Company had total liabilities of THB 8,767 million, increased by THB 1,068 million (or +13.9%) from 31 December 2022 primarily from increase in short-term loan from financial institutions.

As of 30 September 2023, the Company had total equity of THB 16,150 million, decreased by THB 2,305 million (or -12.5%) from 31 December 2022, mainly due to special dividend payment from the Company's retained earnings after the divestment of stakes in Uni.Charm (Thailand) Company Limited.

## Cash Flows

Unit: THB million



As of 30 September 2023, the Company had cash and cash equivalents of THB 1,956 million, increased by THB 869 million, compared to 31 December 2022. The Company had positive cash flows from operating activities of THB 1,587 million. Net cash from investing activities of THB 2,959 million was mainly from the proceed from disposal of non-marketable equity securities. Cash outflows of financing activities of THB 3,677 million were primarily due to dividend paid offset with increase in short-term loan from financial institutions.

## Financial Ratio Analysis

	Q3'23	Q3'22	9M'23	9M'22
<b>Liquidity Ratios</b>				
Current ratio (times)	1.3	1.3	1.3	1.3
Number of days of inventory	77	61	71	53
Collection period (days)	49	47	47	38
Accounts payable (days)	46	50	49	43
<b>Profitability Ratios</b>				
Gross profit margin (%)	35.4	29.3	34.2	30.8
EBITDA margin (%)	18.3	11.2	17.9	15.3
Net profit margin for the period (%)	10.2	3.5	10.2	7.6
Net profit margin attributable to owners of the parent (%)	10.2	3.9	10.1	7.7
Return on equity (%) - trailing	13.7	13.0	13.7	13.0
Return on assets (%) - trailing	9.2	9.3	9.2	9.3
<b>Other Ratios</b>				
Interest bearing debt to equity (times)	0.21	0.11	0.21	0.11

The gross profit margin was recorded at 35.4%, representing +610 bps YoY and +140 bps QoQ improvement. Gross profit margin expansion from the previous quarter was mainly attributed to the decline in energy and commodity costs, along with efficiency improvements in our glass factory. In addition to these operational efficiencies, OSP remains committed to achieving overall cost savings through the Fast Forward 10X program, which targets THB 5,000 million gross saving over the next 5 – 7 years (2022 – 2028). This program aims to build strong fundamentals for sustainable future growth by identifying actions to optimize costs, maximize operational efficiency, better utilize manufacturing facilities, and streamline processes, people, technology, and assets.

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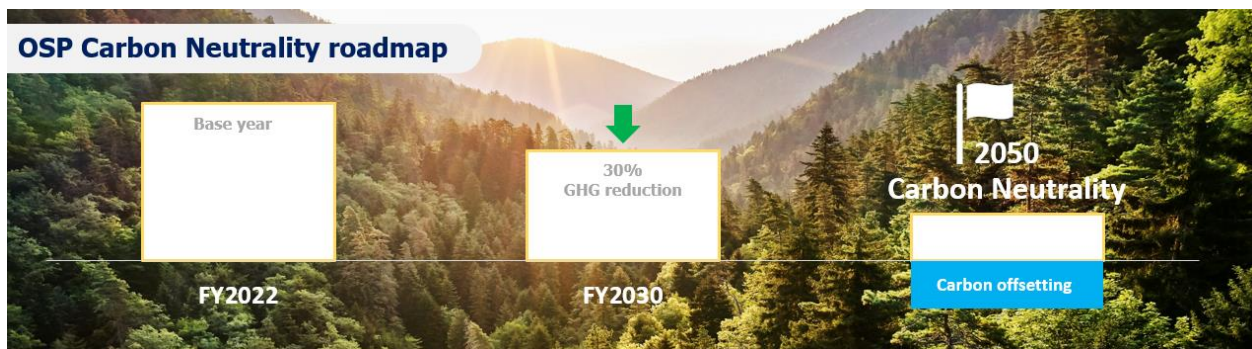


Cash cycle (Number of days of inventory + Collection period – Accounts payable days) as of Q3’23 was 80 days, increased from 58 days in Q3’22 and 73 days in Q2’23. An increase in inventory days reflecting inventory built up prior to the shutdown of our glass factory in Samutprakarn. The average collection period for this quarter was 49 days, approximately similar to previous quarter and slightly higher compared to last year from higher proportion of growing modern retail channels. OSP continues to closely monitor credit risk exposure, ensuring that it remains within the company’s established credit terms, which range from 7 days to 100 days. Our current ratio was favorable at 1.3 times, indicating a strong liquidity position and financial strength. Furthermore, our interest-bearing debt to equity ratio was at 0.21 times, signifying healthy balance sheet that is well-positioned to seize inorganic opportunities.

**OSP ESG Updates**

**Osotspa organized a forum on sustainability dialogue to officially announced our carbon neutrality target with collaboration from both public and private sectors.**

Osotspa, as one of the leaders in the consumer goods industry in Thailand, announced our mission towards 2050 carbon neutrality. The company recognized the importance of addressing impact of climate change to the global in various dimensions. We are moving forward to create framework for sustainability development along with our business plan, together with establishing cooperation network with both public and private sectors to work together for this mission, as well as encouraging all parties to aware impacts on environment and global. Therefore, a forum on “Sustainability Dialogue: Mission to Carbon Neutral” was held on September 25, 2023 in collaboration with public sectors, The Stock Exchange of Thailand, Small and Medium Enterprises (SME), and private sectors to share information and cooperation along with discussion on sustainable policy directions from the public sector which leads to an opportunity for establishing business network and aligning goals to achieve Green House Gas (GHG) emissions reduction in a comprehensive manner. Additionally, OSP had announced our roadmap to reduce GHG emission from our operation as part of our long-term goals.



OSP believes that sustainable development is one of the key policies for both public and private sectors, encompassing three aspects: Environment, Social, and Governance, or “ESG”. The comprehensive goal of sustainable development for organizations is a commitment to reducing GHG emissions from our production and consumption processes, as well as conserving and using resources efficiently. Therefore, having clear objectives and action plans that cover all three aspects, with full effort from our employees as a key driver, will enable the OSP to achieve our committed target.

**Osotspa is certified to international sustainable procurement standards.**

Osotspa is committed to promoting sustainable procurement and contracting practices to set an example for business partners in managing the supply chain responsibly. To underscore the success of this, OSP has received a certification in sustainable procurement and contracting standards (ISO20400: Sustainable Procurement) by SGS (Thailand) Company Limited. This achievement is another source of pride for OSP as it is the first company in the Thai consumer goods industry to receive this certification.

By obtaining ISO20400 certification, not only elevates OSP’s procurement and contracting processes to international standards but also facilitates in driving sustainable business growth in collaboration with the company’s partners. This is considered as an important component in our sustainable development and achievement of our sustainable development goals.



## **APPENDIX: Ratios & Formulas**

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### **Liquidity Ratios**

Current ratio (times) = Total current assets / Total current liabilities

Number of days of inventory = Average inventory / (Cost of sales of goods / Number of days in the period<sup>1</sup>)

Collection period (days) = Average trade account receivables / (Total revenues from sales / Number of days in the period<sup>1</sup>)

Accounts payable (days) = Average account payables / (Cost of sales of goods / Number of days in the period<sup>1</sup>)

### **Profitability Ratios**

Gross profit margin (%) = (Total revenues from sales – Total cost of sales of goods) / Total revenues from sales

SG&A to sales ratio (%) = (Selling and distribution expenses + Administrative expenses) / Total revenues from sales

EBIT margin (%) = (Profit before income tax expense + Finance Cost) / Total revenues from sales

EBITDA margin (%) = (Profit before income tax expense + Finance Cost + Depreciation and Amortization) / Total revenues from sales

Net profit margin for the period (%) = Net Profit for the period / Total revenues from sales

Net profit margin attributable to the owners of the parent (%) = Net Profit attributable to owners of the parent / Total revenues from sales

Return on equity (%) = Profit for the period / Average total equity

Return on assets (%) = Profit for the period / Average total assets

### **Other Ratios**

Interest bearing debt to equity (times) = Interest bearing liabilities / Total equity

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<sup>1</sup> Number of days in the period is defined as 360 days in a year. For example, 90 days and 180 days should be used for quarterly and half-year ratio analyses, respectively.